

The Decider Guide

When to use
cooperative
purchasing to add
public dollar power





Together, we are Sourcewell

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Cooperative purchasing has become a go-to strategy for public agencies looking to save time, reduce costs, and reduce administrative effort. A recent GovWin report projects cooperative purchasing sales to reach **\$97 billion by 2027**, up from \$74 billion in 2024*, reinforcing its role as a mainstream procurement strategy.

*Source: GovWin-Deltek 2025 SLED Government Contracting Forecast

Introduction

Cooperative purchasing is expanding faster than traditional procurement methods.

K-12 schools, state governments, and city agencies account for nearly 70% of cooperative purchasing activity, making it a trusted solution across all levels of government. As demand grows, cooperative purchasing is expanding faster than traditional procurement methods for its speed and efficiency.

Why?

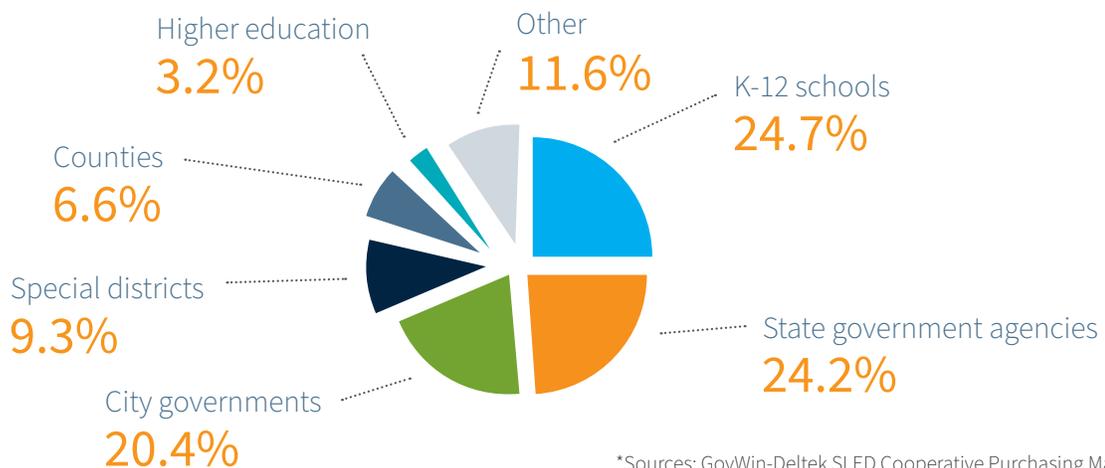
Procurement is a challenging profession — staff are leaner, working extra hours, and being asked to do more with stricter budgets. As a result, they rely on cooperative purchasing as an industry best practice, helping them streamline processes and maximize resources. A recent report shows that agencies using existing agreements—such as cooperative contracts — for IT procurement can save an average of 80% in time and 20% in costs compared to traditional procurement methods**

Procurement structures vary from one-person teams to dedicated departments. Public buyers may operate from a central office or be distributed across departments, but regardless of the structure, procurement remains essential at all levels of a public organization.

A well-executed procurement process ensures fairness, transparency, and competitiveness when purchasing goods and services. With the growing demand on procurement teams, cooperative purchasing serves as a valuable tool to simplify solicitations, reduce costs, and enhance efficiency.

Who’s leading the way in cooperative purchasing?

Share of cooperative purchasing by level of government*



*Sources: GovWin-Deltek SLED Cooperative Purchasing Market Landscape

**Source: Gartner: Use Existing Agreements to Optimize Public Sector IT Buying, 2023

What is cooperative purchasing?



Cooperative purchasing is procurement conducted by, or on behalf of, one or more government units for use by other government units.

Buying through a purchasing cooperative gives you access to competitively solicited and awarded contracts. This saves your procurement team time on the solicitation process, speeds up contract creation and product delivery, and harnesses the buying power of thousands of public agencies for better pricing.

Types of cooperative purchasing organizations

Government-cooperative model: Buyers from a government entity competitively solicit, evaluate, and award a contract, then make it available for use by other public entities. As a government entity, Sourcwell follows this model.

Lead-agency model: Buyers from a public lead agency conduct a competitive solicitation. An independent for-profit or not-for-profit organization manages the process, then makes the contracts available to other public agencies.



Aaron Carter, Assistant Vice President, University of Illinois

“We use our relationship with Sourcwell any way that we can. Every time we are quoting for something, I see what the world is paying for it and I see what I can get it for at the Sourcwell price.”

Using cooperative purchasing

Know your legal statutes

Sourcewell's authority to offer cooperative contracts is governed by Minnesota statutes. Your authority to use cooperative contracts is controlled by your local and state statutes. As a public agency representative, you must learn your state and local statutes to understand your procurement requirements. Procurement professionals can usually find specific guidance about cooperative purchasing or piggybacking in state or provincial code. Most states or provinces allow some form of cooperative purchasing; however, your team must make a final determination.

Agency policy and procedures

Learn your internal policies and procedures, including your own procurement manuals, to determine your ability to use cooperative purchasing organizations. Research the following:

- Does my organization currently use cooperative contracts?
- What are the requirements to receive approval to use a cooperative contract?
- What internal purchasing goals does my agency need to meet? Items for consideration:
 - Local preference
 - Best price
 - Minority- and women-owned businesses
 - Social goals

Review requirements with internal teams to determine if a cooperative organization can assist.

Cooperative considerations

Once you've determined your ability to use cooperative contracts, set aside time to evaluate the available cooperative organizations. Meet your point of contact at each cooperative. Ask questions, provide feedback, and share your needs to better understand what is available and the buying process. Items to consider:

- **Solicitation process:** How is the cooperative governed and does its competitive process mirror your own?
- **Transparency:** Can you easily access contract documentation and pricing?
- **Registration:** Are there fees or other requirements to use a cooperative?
- **Customer service:** Can the cooperative assist you with your needs?



Adam Manne, Assistant Director of Finance for Procurement Services, Prince William County, Virginia

“A public organization makes decisions that are best for its constituents and its agency. One of those decisions is to use cooperative purchasing. Having a strategy for how to use it, when to use it, and how to get approval is important for procurement professionals and those who have a decentralized procurement process.”

Using cooperative purchasing (cont.)

If you haven't met with your cooperative representative, now is a great time.

If you haven't met with your cooperative representative, now is a great time. Learn how to navigate and obtain contract documentation and pricing. You can also contact your supplier contact for guidance, quotes, and additional information. Provide your request to the supplier and remember to review the information with the documentation the cooperative provides.

Items to review:

- Pricing
- Terms and conditions
- Contract compliance
- Local preference
- Award and maturity dates
- Support of social goals
- Contract flexibility

Some cooperatives allow you to add additional terms and conditions and/or subsequent agreements under the contract. As an agency representative, you and the supplier mutually agree to the additional language.

Once you approve the purchase order, be sure to identify your agency's cooperative account number as well as the supplier's awarded contract number on your documentation. You can then verify the purchase came from a supplier using a competitively solicited cooperative contract.

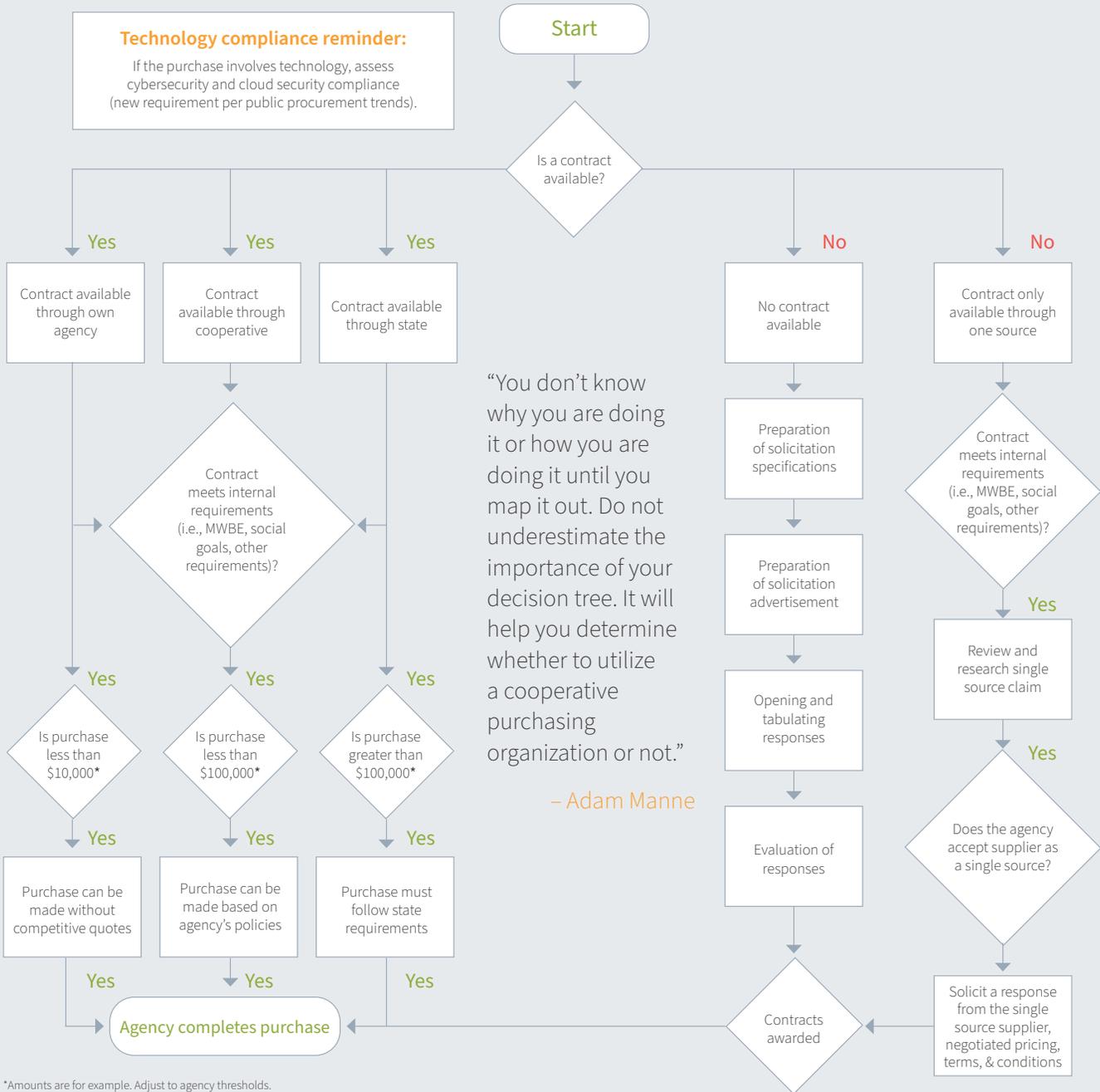


Jeff Schwiebert, Superintendent (Ret.), Sartell (MN) Schools

“My taxpayers would like to pay as little as possible and at the same time get as good of a quality as we can, and that is one of the things for Sourcewell that works out really well. It's great to have someplace like Sourcewell where we can go and get the quality products that we need.”

Procurement tool: Starter decision tree

When developing a new process tool, there's nothing worse than staring at a blank piece of paper. Use this sample decision tree as a starting point for developing a procurement process for your organization.



Adam Manne, Assistant Director of Finance for Procurement Services at Prince William County, Virginia led his team in mapping a decision tree for their procurement team.

To see their complete decision tree visit sourcewell.co/procurement_flowchart.

Conclusion



As public procurement professionals continue to embrace cooperative purchasing as an industry best practice, they must take critical steps to ensure successful use of supplier contracts. Creating a firm foundation with a cooperative partner allows you to build strong supplier relationships that can lead to greater contract savings and cost reductions.

Work with folks who value a more positive experience, put your needs first, and strive to assist you and your agency to procure smarter.

Key takeaways

- Cooperative purchasing is expanding faster than traditional procurement methods.
- Verify your agency's policies, procedures, and laws allow its use.
- Streamline procurement with competitively solicited contracts.
- Leverage the collective buying power of thousands of agencies to reduce costs.
- Evaluate cooperatives for solicitation competitiveness, transparency, registration, and customer service.

Help when you need it.

Sourcewell is government empowering government since 1978 — partnering with education and government leaders to impact student and community success. Sourcewell staff measure their achievements by the success of the people they serve — you.

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Purchasing agencies must complete due diligence and ensure compliance with all relevant laws and funding requirements.

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